

Written Testimony of the Honorable Alan Grayson
before the Committee on Veterans' Affairs, U.S. House of Representatives

Chairman Miller, Ranking Member Brown, thank you for inviting me to appear before you today. I look forward to what this committee, under the leadership of two Floridians, will be able to accomplish for our nation's veterans during the 114th Congress.

As you know, my bill, H.R. 189: the 'Servicemember Foreclosure Protections Extension Act of 2015', would extend for one calendar year the foreclosure and eviction protections that currently exist for active duty members of our military forces and veterans who have served in our armed forces within the past year. These protections are scheduled to expire at the end of 2015.

Historically, Section 303 of the 'Servicemembers Civil Relief Act' ("SCRA") (50 U.S.C. App. 533) has protected servicemembers from foreclosure and eviction if an action is filed during, or within 90 days after, a period of military service. Section 2203 of the 'Housing and Economic Recovery Act of 2008' extended the period of protection from 90 days to nine months. And in 2012, Congress – in a bill which you authored, Mr. Chairman – extended foreclosure and eviction protections further to one year (see Section 710 of the 'Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012' (P.L. 112-154)). Again, my bill would ensure that the one-year protection period that currently exists is extended.

As you will recall, Mr. Chairman, we began discussing this provision of law in September of last year, after I noticed its omission from H.R. 5404: the 'Department of Veterans Affairs Expiring Authority Act of 2014' which was ultimately signed into law. You voiced your support for its extension, but stated that you wished to hold a legislative hearing on a measure prior to moving an extension to the floor. I am pleased that Senator Sheldon Whitehouse was able to pass a clean one-year extension through the Senate during the closing days of the last session of Congress, and I am pleased that you have decided to make this one of the first pieces of legislation to consider before the committee this Congress.

It is vitally important that we pass H.R. 189. Without this extension, the period of foreclosure and eviction protections currently made available to servicemembers will revert from one year all the way back to the original 90 day period (see Section 710(d)(3) of P.L. 112-154). On January 28, 2014, GAO issued Report No. GAO-14-221 entitled 'Servicemembers Civil Relief Act: Information on Mortgage Protections and Related Education Efforts'. Page 13 of that report states:

Our analysis of one servicer's data suggests that all military borrowers—SCRA-protected or not—had a higher likelihood of becoming delinquent in the first year after they left active duty than when in the military. For example, in the loan-level data from an institution that used the DMDC database to check the military status of its entire loan portfolio, all of its military borrowers had a higher likelihood of becoming delinquent in the first year after they left active duty than when in service, with that risk declining somewhat over the course of the year for non-SCRA-protected military borrowers.

Mr. Chairman, we currently protect recent veterans and soldiers from the unfortunate situation just described; and, respectfully, I urge this committee to continue to do so. No soldier should ever have to fight abroad and return home, only to find that it is no longer there.